

**Naval Information Systems Management Center
Blanket Purchase Agreement**

Pursuant to GSA Federal Supply contract number GS-35F-0137D and GS-35F-4663D, Digital Equipment Corporation agrees to the following terms of a Blanket Purchase Agreement (BPA) exclusively with Naval Information Systems Management Center (NISMC).

1. All items listed on the attached price list may be ordered under this BPA. All orders placed under this BPA are subject to the terms and conditions of the applicable GSA contract and this BPA. Pricing as well as terms and conditions for products and services included on a BPA order which are not on the BPA price list is as follows: If the item is contained on one of Digital's GSA schedules, prices as well as terms and conditions will be in accordance with said GSA schedule. Prices as well as terms and conditions for an open market item not on one of Digital's GSA schedules will be in accordance with Digital's standard commercial prices, terms and conditions.
2. Delivery shall be made within 30 days after receipt of order to the locations specified on each order.
3. The Government estimates, but does not guarantee, that the volume of purchases will be approximately 7,500 PCs per year. This number will be spread across all of the BPAs that are issued for this requirement. If the actual quantity ordered is less than the estimate, the Government will not be liable for the price difference between the quantity discount based on the estimate and quantity discount applicable for the quantity ordered.
4. This BPA does not obligate any funds.
5. This BPA expires on 30 November 1998, or the expiration of the GSA Federal Supply Schedule contract, whichever is earlier.
6. All Department of the Navy, including U.S. Marine Corps, and U.S. Coast Guard customers permitted to order using GSA schedule may use this BPA. Subject to prevailing DoD policy, DoD agencies may be permitted to purchase products and services available on this BPA.
7. Orders will be placed against this BPA via Electronic Data Interchange (EDI), fax, or paper.
8. Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information:

- a) Name of Contractor
- b) Contract Number
- c) Model numbers
- d) Purchase Order number
- e) Date of purchase
- f) Quantity, unit price, and extension of each item (unit prices need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information)
- g) Date of shipment

9. The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified in Block 18a of the SF1449. The provisions of FAR 52.213-1 FAST PAYMENT PROCEDURE (AUG 1988) are incorporated in this Agreement. The clause is provided in full text below:

FAR 52.213-1 FAST PAYMENT PROCEDURE (AUG 1988)

(a) General. Invoices will be paid on the basis of the Contractor's delivery to a post office or common carrier (or, in shipment by other means, to the point of first receipt by the Government).

(b) Responsibility for supplies. Title to the supplies shall vest in the Government upon delivery to a post office or common carrier for shipment to the specific destination. If shipment is by means other than Postal Service or common carrier, title to the supplies shall vest in the Government upon delivery to the point of first receipt by the Government. Notwithstanding any other provision of the contract, order, or blanket purchase agreement, the Contractor shall assume all responsibility and risk of loss for supplies (1) not received at destination, (2) damaged in transit, or (3) not conforming to purchase requirements. The Contractor shall either replace, repair, or correct those supplies promptly at the Contractor's expense, but only if instructions to do so are furnished by the Contracting Officer within 180 days from the date title to the supplies vests in the Government.

(c) Preparation of invoice. (1) Upon delivery of supplies to a post office or common carrier, (or, in shipments by other means, the point of first receipt by the Government) the Contractor shall prepare an invoice as provided in this contract, order, or blanket purchase agreement. In addition, the invoice shall be prominently marked "FAST PAY."

(2) If the purchase price excludes the cost of transportation, the Contractor shall enter the prepaid shipping cost on the invoice as a separate item. The cost of parcel post insurance will not be paid by the Government. If transportation charges are separately stated on the invoice, the Contractor agrees to retain

related paid freight bills or other transportation billings paid separately for a period of 3 years and to furnish the bills to the Government when requested for audit purposes.

(3) If this contract, order, or blanket purchase agreement requires the preparation of a receiving report on a prescribed form, the Contractor has the option of either preparing the receiving report on the prescribed form or including the following information on the invoice, in addition to that required in subparagraph (c)(1) above:

- (i) A statement in prominent letters "NO RECEIVING REPORT PREPARED."
- (ii) Shipment number.
- (iii) Mode of shipment.
- (iv) At line item level, (A) national stock number and/or manufacturer's part number, (B) unit of measure, (C) Ship-To Point, (D) Mark-For Point if in contract, and (E) FEDSTRIP/MILSTRIP document number if in contract.

(4) If this contract, order or blanket purchase agreement does not require preparation of a receiving report on a prescribed form, the invoice will include information at the line item level in addition to that required in subparagraph (c)(1) above:

- (i) Ship-To-Point.
- (ii) Mark-For-Point.
- (iii) FEDSTRIP/MILSTRIP document number if in contract, in addition to that required in subparagraph (c)(1) above.

Where a receiving report is not required, a copy of the invoice will be included in each shipment.

(d) Certification of invoice. The Contractor agrees that the submission of an invoice to the Government for payment is a certification that the supplies for which the Government is being billed have been shipped or delivered in accordance with shipping instructions issued by the ordering officer, in the quantities shown on the invoice, and that the supplies are in the quantity and of the quality designated by the contract, order, or blanket purchase agreement.

(e) Fast pay container identification. All outer shipping containers shall be marked "FAST PAY."

(End of clause)

10. Year 2000 Warranty for Commercial Supply Items:

The contractor warrants that each hardware, software, and firmware product delivered under this contract and listed below shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the product documentation provided by the contractor, provided that all listed or unlisted products (e.g. hardware, software, firmware) used in combination with such listed product properly exchange date data with it. If the contract requires that specific listed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those listed products as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of the contractor's standard commercial warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of any listed product whose non-compliance is discovered and made known to the contractor in writing within ninety (90) days after acceptance. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

11. The Blanket Purchase Agreement (BPA) holder can voluntarily reduce prices at any time by giving 24 hour advance notice (by fax or e-mail) to the Naval Information Systems Management Center (NISMC) Contracting Officer. When in effect, the new pricelist shall be published on the BPA holder's World Wide Web page.

12. The Navy's cost of administering this BPA will be included in the price charged to ordering activities. The Ordering Prices include a fee as determined by the Tactical Advanced Computer (TAC) Project Manager at the Naval Command, Control and Ocean Surveillance Center; Research, Development, Test and Evaluation Division (NRaD). (The fee is currently 2%.) As the volume of this BPA and others increase, the fee is expected to decrease. NRaD will receive the fees from the Contractor using the same procedures and accounting methods that GSA uses to collect their fees. The procedure is described in FSS Acquisition Letter FC-95-3. Notwithstanding the above, under this BPA fees will be applicable to all items ordered, including open market items. Fee payment shall be made quarterly to NRaD by check or Automated Clearing House (ACH), as directed by the NRaD TAC Project Manager at the following address:

NCCOSC RDTE DIV 4103
Building 621
49184 Transmitter Road
San Diego, CA 92152-7462

13. Discount structure: The discount structure provided under this BPA is as follows:

	Category Description	1998 GSA Reference Discount	BPA Discount off GSA List	Bid Discount off GSA List (Published Price)
1	Desktops	9.09%	14.09%	12.34%
1a	PW, Videos and Accessories	4.04%	14.09%	12.34%
1b	PW Memory, Upgrade	4.04%	14.09%	12.34%
2	PC Servers	13.13%	18.13%	16.46%
3	PC Server Options	13.13%	18.13%	16.46%
3a	Systems and Options	21.21%	24.21%	22.66%
3b	Network Products	21.21%	24.21%	22.66%
3c	System Software	26.46%	29.46%	28.02%
3d	Storage, Software and Acc	12.12%	29.46%	28.02%
4	PC 3 rd Party Products	0.00%	2.00%	0.00%
5	Services	Up to 30%	GSA + 2%	GSA
6	Misc Network Cables	5.05%	8.05%	6.17%
7	Storage Media DEConnect	1.01%	4.01%	2.05%

The column headed "BPA Discount off GSA List" includes the 2% IFF. The column headed "Bid Discount off GSA List (Published Price)" is the discount that will be used to establish the product and service prices that will be published on the Web pages and any catalog(s). After collecting the published price, DIGITAL will remit the additional 2% directly to the TAC Office (as is the current practice), to obtain the full BPA discount."

14. The following services offered under Digital's GSA schedules (numbers GS-35F-4663D and GS-35F-0137D) are hereby incorporated by reference.

* Platter Removal services -provides removal of platters from sealed head and disk assemblies (HDA's) which have failed. This will accommodate Navy personnel who cannot allow media containing secure or proprietary data to leave their premises.

* Uplifted and or extended warranty services - provides for Supplemental Services, Priority Services Plans, Warranty Plus

* Installation - provides for the installation of the hardware and operating system software by Digital personnel. Additional installation options are integration, testing and burn in of systems to ensure greater system availability.

* Spares - provides shipboard personnel access to spare parts inventories to replace failed options.

- * Software Support Services - provides full support for the operating system, user assistance, advisory and remedial support, and the right-to-use new versions of kernel software.
- * Media and Documentation Distribution Service - provides media and documentation updates to customers that are properly licensed to use new versions of software.
- * Layered Product Support - provides the right-to-use new versions of the layered product software. This is required for all DIGITAL licensed layered products running on a system covered by warranty of Software Support Service.
- * On-Site Hardware Maintenance - provides remedial on site service for personal computers, servers, laptops, and associated hardware options and peripherals
- * User Applications Support - provides telephone support for multivendor PC applications, utilities, and desktop operating systems.
- * HelpDesk Services - provides technical backup support on desktop applications, network operating systems and mail; highly complex multivendor, multi-LAN support to Help Desk professionals including call logging and access to symptom/solution databases
- * Systems Services Manager - Provides management services to all types of programs worldwide, especially complex systems, intricate integration of add-ons to existing systems, new large complex systems and a variety of contract-specific special applications and interfaces. May manage vendor resources.
- * Availability Review and Availability Partnership Services - provides for continuous improvement toward achieving the Navy's system availability goals.
- * Sr/Principal Engineer - provides a variety of engineering related services by augmenting, supplementing, or directly supporting the customer's technical staff.
- * Asset Management Consulting and Asset Management Implementation - provides (1) evaluation of current asset management practices and recommends new processes to optimize asset management maintenance and (2) Installed asset management tool and user orientation for ongoing management of computer hardware and software assets.
- * Inventory Management - develop an accurate inventory of the computer hardware and software assets in the Navy's environment.

15. Items available under this BPA may be leased in accordance with the terms of the Contractor's GSA Schedule Contract (Special Item 132-3). The user should perform a lease versus purchase analysis in accordance with Federal Acquisition Regulation (FAR) 7.4 to determine whether lease or purchase is more advantageous to the Government. Items may be leased under this BPA only if the BPA purchase price of the equipment to be leased exceeds \$50,000. Note that if the lease period exceeds the warranty period, then maintenance must be purchased for the period of the lease remaining after expiration of the warranty. To determine the monthly lease rate, the customer must first obtain a quotation from the Contractor, negotiate the residual value of the equipment and then calculate the monthly lease rate as follows:

To calculate the monthly lease payment, using a financial calculator:

- the net purchase price is the present value (PV),
- the residual value is the future value (FV) - enter as a negative number,
- the sum of the Treasury rate * and the Indexed Rate Formula table ** is the interest rate (I), and
- the number of months of the lease is the period (P).

Solve for the payment amount.

* The "Treasury rate" is the rate published in "Federal Reserve statistical release H-15".

** The "Indexed Rate Formula table" is the table published in paragraph 3, Rates, of the Contractor's GSA Schedule Contract, Special Item 132-3.

BEST VALUE
BLANKET PURCHASE AGREEMENT
FEDERAL SUPPLY SCHEDULE
NAVAL INFORMATION SYSTEMS MANAGEMENT CENTER

In the spirit of the National Performance Review, Naval Information Systems Management Center (NISMC) and Digital Equipment Corporation enter into a cooperative agreement to further reduce the administrative costs of acquiring commercial items from the General Service Administration (GSA) Federal Supply Schedule Contracts GS-35F-0137D and GS-35F-4663D

Federal Supply Schedule contract BPA's eliminate contracting and open market costs such as: search for sources; the development of technical documents, solicitations, and the evaluation of bids and offers.

This BPA will further decrease costs, reduce paperwork and save time by eliminating the need for repetitive, individual purchases from the schedule contract. The end result is to create a purchasing mechanism for the Government that works better and costs less.